

Below is an order of the court.

PETER C. McKITTRICK
U.S. Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF OREGON

In re)
THREE J'S DISTRIBUTING, INC.,) CASE NO. 18-32288-pcm7
Debtor.) STIPULATED ORDER ALLOWING
) SECURED CLAIM, AVOIDING LIEN
) IN PART, AND ALLOWING
) UNSECURED CLAIM

WHEREAS, on December 10, 2018, Rodolfo A. Camacho, chapter 7 trustee (the “**Trustee**”) filed a Complaint to (1) Avoid Fraudulent Transfer; (2) Avoid Preferential Transfer; and (3) Subordinate Claim of Creditor, thereby commencing adversary proceeding no. 18003123-pcm (the “Adversary Proceeding”). In the Adversary Proceeding the Trustee sought to avoid the lien of Church on a property of the estate or alternatively subordinate the Church claim to the level of common stock.

WHEREAS, on December 5, 2018, Christopher Church and Sheryl Church (together, “Church”), filed a proof of claim (Claim No. 44-1)(the “**Proof of Claim**”) in the above-

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captioned bankruptcy case of Three J's Distributing, Inc. ("Debtor"). In the Proof of Claim, Church asserted a secured claim in the amount of \$857,272.44.

WHEREAS, on April 9, 2019, the Trustee file a Motion For Leave to Amend the complaint in the Adversary Proceeding (the "**Motion to Amend**"), pursuant to which the Trustee requested that the Court allow him to assert additional claims to recover pre-petition transfers by the Debtor to Church.

WHEREAS, on April 18, 2019, the Trustee and Church and their respective attorneys attended a settlement conference before the Honorable Trish M. Brown and reached settlement;

WHEREAS, the Parties, wishing to avoid the risks, costs and uncertainties of litigating the Trustee and Church entered into a settlement and release agreement (the "**Settlement Agreement**"), dated April 30, 2019, subject to the approval of the Court;

WHEREAS, on May 2, 2019, the Trustee filed a Motion and Notice of Intent to Settle and Compromise Adversary Proceeding [ECF No. 90] (the "**Settlement Approval Motion**"), pursuant to which the Trustee requested that the Court approve the settlement of the Adversary Proceeding which the Court did subject to expiration of the notice period (the "**Settlement Approval Order**");

WHEREAS, on May 27, 2019, the Settlement Approval Order approving the Settlement Agreement became final following the expiration of the objection deadline (plus 3 days);

WHEREAS, the Parties agreed, pursuant to the Settlement Agreement, to cause entry of a Stipulated Order Allowing Secured Claim, Avoiding Lien in Part, and Allowing Unsecured Claim, subject to the terms of the Settlement Agreement;

IT IS ORDERED:

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1. Church is hereby allowed a secured claim in the amount of \$210,000.00, secured by the cash on hand held by the Trustee as of April 18, 2019, which represents the proceeds of accounts, inventory and equipment of the Debtor (“**Allowed Secured Claim**”).
2. Trustee shall pay the Allowed Secured Claim in full in cash within 15 days after entry of this Order.
3. Any liens of Church on property of the Estate, in addition to, beyond or in excess of the Allowed Secured Claim, are hereby avoided and such liens are preserved for the benefit of the Estate.
4. Church is hereby allowed a general unsecured non-priority claim in the amount of \$647,272.44 (“**Allowed Unsecured Claim**”). Such Allowed Unsecured Claim shall share *pari passu* with other general unsecured claims in the Debtor’s Chapter 7 case.

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Presented by:

LANE POWELL PC

/s/ David W. Criswell
David W. Criswell, OSB 925930
Attorney for Rodolfo A. Camacho, Chapter 7 Trustee

[signatures on following page]

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IT IS SO STIPULATED:

/s/ David W. Criswell

David W. Criswell, OSB 925930

Lane Powell PC

Attorneys for Rodolfo A. Camacho, Chapter 7 Trustee

/s/ Jonathan M. Radmacher

Jonathan M. Radmacher OSB 924314

McEwen Gisvold LLP

Attorneys for Christopher Church and Sheryl Church

cc: Parties to receive ECF notifications

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